Increase in passenger traffic of national airlines

424. SHRI CHIMANBHAI MEHTA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) what is the percentage of increase in passenger traffic in Indian Airlines, Air India and Vayudoot during the last three years;

(b) what is the percentage of increase or decrease in the gross revenue and profits of the three airlines;

(c) what measues are being considered to improve over all performance of these airlines; and

(d) what is the estimated percentage of increase in passenger traffic of those airlines in 1990, 1993 and 1996; the measures proposed to be taken to meet the increased demand in all the three airlines?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION AND TOURISM (SHRI SHIVRAJ PATIL): (a) to (d). A statement is laid on the Table of the Sabha.

Statement

(a) The percentage increase in passenger traffic in Indian Airlines, Air India and Vavudoot during the last three years is given below:—

Year	Percentage Increase		
	Indian Airlines	Air India	Vayudoot
1985-86	7.3	(—) 1.6	42
1986-87	8.2	2.8	40
1987-88	5.7	16.6	38

(b) The percentage increase/decrease in the gross revenue and profit is as follows:

year	Percentage Increase					
	Indian Airlines		Air India		Vayudoot	
	Revenue	Profit (Before Tax)	Revenue	Profit	Revenue	Profit
1985-86 .	16.45	19.1	4.5	47.7	45.78	—(1514.88)
1986-87 .	14.49	0.3	3.5	—(54.3)	100.62	103.27
1987-88 .	11 68	18 5	10.6	—(245.9)	16 28	—(12801)

(c) The following steps have been taken with a view to improving the performance of Indian Airlines, Air India and Vayudoot:

(A) INDIAN AIRLINES:

(i) Curtailing of expenditure on aircraft fuel by shortening flight routes and optimisation of flight levels.

(ii) Increase utilisation of aircraft fleet.

(iii) Improved utilisation of passenger seat factors and overall load factors.

(iv) Optimum utilisation of manpower and economy in expenditure.

(v) Frequent pre-flight checks to avoid wastage of extra upliftment of meals.

(vi) Review of rosters to improve utilisation of cockpit and cabin crew with a view to saving on hotel expenditure and flying allowances.

(vii) Enhancement of cycle of inspection and major checks of aircraft; and

(viii) Control on expenditure in general maintenance, repairs, taxi hire, conveyance, training and publicity etc.

B. AIR INDIA:

(i) Introduction of faster non-stop flights with affect from the 15th of February, 1988 to improve services;

(ii) Creation of a special Cell for business class traffic to improve yields;

(iii) Improvement of inflight service and ground handling;

(iv) Introduction of computerised baggage checking facilities at Bombay and Delhi airports. This facility will be introduced in other airports as well;

(v) Improvement of servicing in cargo;

(vi) Focussing of attention on aircraft maintenance to improve punctuality of flights; and

(vii) Setting up of Profit Committees at regional headquarters levels to review costs and find out ways and means to increase revenue.

C. VAYUDOOT:

(i) Aggressive marketing programme;

(ii) Rationalisation of routes;

(iii) Reduction in overheads to the minimum;

(iv) Transfer of turbo-prop aircraft from Indian Airlines to Vayudoot which will save expenditure on lease charges;

(v) Grant of exemption from the payment of Sales Tax on Fuel uplifted by Vayudoot in certain States;

(vi) Charging of navigational and landing charges at concessional rates;

(vii) Liberalisation of rules governing travel by State Govt. officials to enable them to use Vayudoot Services, etc.

(d) According to the Report of the Group set up by the Planning Commission to make a study on Civil Aviation at the turn of the century, domestic passenger traffic is likely to grow at an average growth rate of 11.5 per cent and international air traffic to and from India at an average rate of 6 per cent. The three airlines will have their own capacity augmentation plans to meet the increased traffic demand.

SHRI CHIMANBHAI MEHTA: Sir, it has been stated in the reply that although there has been an increase in the Vayudoot services within three years, the loss has also increased by 1500 per cent and 1200 per cent. On the one hand the revenue increases, on the other hand the loss also increases in a very staggering manner. I would like to know what is the reason for such a huge loss.

SHRI VISHVJIT P. SINGH: Subsidy.

SHRI SHIVRAJ PATIL: Vayudoot has been poviding services to the people coming from areas where the rail transport or road transport is not easily available. Vayudoot came into existence only a few years back and it is increasing its activities in many areas. By carrying more passengers, by providing more flights and by touching more points, it has to sustain more losses because what it gets in return for the services provided does not meet the expenditure incurred by Vayudoot. Because it provides more facilities to the people. all this happens. This is an indication that Vayudoot is suffering losses, yet providing facilities and services.

SHRI CHIMANBHAI MEHTA: There is an increased percentage of revenue and profit also in the Indian Airlines. But there is a loss in Air-India. Although the revenue increased the loss went up to 54 per cent in 1986-87 and 245 per cent in 1987-88. Therefore for Vayudoot I can understand, but what about Air India and Indian Airlines?

SHRI SHIVRAJ PATIL: Air India has added more aircraft to its fleet and they have invested about six hundred crores of rupees. The depreciation charges and the interest on the amount which has been invested has gone up about Rs. 31.66 crores. Then the traffic in the Gulf area has been reduced and the yield from the Gulf area has also been reduced.

MR. CHAIRMAN: Question Hour is over.